

# AIDS VACCINE ADVOCACY COALITION

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## AVAC Pushes for Full Range of Incentives

Today Treasury Secretary Summers and Health and Human Services Secretary Shalala are meeting with non-governmental health groups to present the Administration's initiatives to spur development and distribution of priority vaccines, particularly for the developing world. The initiative is aimed at enticing the pharmaceutical and biotech industry into investing more for vaccines against HIV/AIDS, tuberculosis, and malaria. These infectious diseases are the world's biggest killers, but the lack of a large paying market has discouraged research and development in the private sector.

The Administration should be applauded for its efforts to address vaccine development for developing world diseases. Unfortunately, the White House proposal lacks some important provisions of a broader initiative under consideration in Congress. The Administration plan only provides a tax incentive for clinical testing, and it only offers tax credits for large established companies that have profits from other products. Two critical elements of the Vaccines for the New Millennium Act proposed by Senator John Kerry (S. 2132) and Rep. Nancy Pelosi (HR 3812) are missing: tax credits for pre-clinical product development and a pass through for investors who invest in small company research and development.

These exclusions restrict the benefit of the White House proposal to a few wealthy companies that can bear the burden of long, risky pre-clinical work. While the government supports such research at academic centers and at a few private companies, the pre-clinical and pass through tax credits would open the field to all companies willing to put their own ideas and resources on the line.

Furthermore, no company is likely to develop vaccines targeted at Africa and the developing world, where they are most needed, without significant public encouragement and support.

AVAC supports the Kerry and Pelosi approach and urges the Administration to add these two crucial components to its proposal. "This is our opportunity to do something meaningful," says Rose McCullough AVAC Executive Director. "It would be a shame to settle for set of actions that come so far down the line that that we won't know if they work until it's too late."

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